MAPPING ONTARIO'S TOURISM FUTURE

A STARTING POINT FOR DISCUSSION

ONTARIO TOURISM COMPETITIVENESS STUDY

MINISTRY OF TOURISM

SPRING 2008

Ontario

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ONTARIO TOURISM COMPETITIVENESS STUDY

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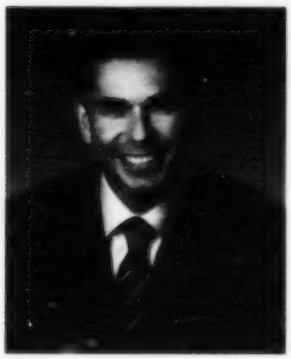
MESSAGE FROM THE HONOURABLE PETER FONSECA, MINISTER OF TOURISM



Ontario tourism is crucial to the economic and cultural vitality of this province. In fact, travelers spent approximately $22.8 billion last year in Ontario. But, in recent years, the tourism industry landscape has changed dramatically and it is facing significant challenges, which is why we have launched Ontario's first Tourism Competitiveness Study. The goal of the study is to help ensure the province can compete with the rest of the world for tourism activity and take advantage of new opportunities before us.

We are prepared to think big, bold and outside the box to make Ontario the world's destination of choice — but we need your help.

This discussion paper is a crucial first step in a comprehensive competitiveness study that will inform the future of tourism in Ontario and ensure the industry continues to be an important contributor to the province's economy.

The three main objectives of the study are getting all Ontarians talking about the future of Ontario tourism; raising the tourism industry's profile; and designing a strategy that identifies clear actions for industry and clear roles for all levels of government.

I encourage you to participate in the consultation process: send us a paper or an e-mail, attend a consultation event near you, or do all of the above. Your views are important, whether you are running your own small business, looking for an investment opportunity, teaching a tourism program or operating a major cultural institution or attraction. I invite you to participate and look forward to hearing from you.

Peter Fonseca

The Honourable Peter Fonseca
Minister of Tourism

CON

FOREWORD BY GREG SORBARA, MPP
CHAIR, ONTARIO TOURISM COMPETITIVENESS STUDY

Ontario is a truly magnificent stretch of land: during the fall, there is no better place to be than on a walking trail in an Ontario woodland. In the summer, there is no greater Shakespearean festival than in Stratford. Luminato is on its way to being one of the great global arts festivals. Ontario has more fresh water than anywhere in the world and the Canadian Shield, as it stretches across Northern Ontario, provides us with some of the most spectacular landscapes the world has to offer.

All over the province we are seeing great new reasons for tourists to visit Ontario: new and expanded cultural facilities in Toronto; great new resorts in Muskoka; convention centres in Niagara, Ottawa and Windsor; and a growing calendar of festivals and events.

But much more can be done. Our tourism industry is facing real challenges. Families used to just hop in their cars and drive. But much has changed, particularly in recent years with the rising price of gas, the increasing challenge of border crossing, the strong Canadian dollar, the slowing U.S. economy and the changing demographics of our traditional U.S. markets. These external factors have had a notable impact. We can't expect to continue as if business will remain the same.

There is no room for complacency – competition for tourists is fierce. Other provinces and American states are trying, successfully, to attract Ontario residents. Global research tells us that people around the world are traveling in numbers never seen before and even countries that have traditionally never attracted tourists are now becoming destinations of choice.

We must understand that tourism is vital to the overall mix of the Ontario economy and at the moment, tourism in Ontario needs reinventing. We need to take the tourism industry more seriously. We need to recognize that tourism is not just good for our economy, but it is also good for community development across the province. Tourism can make important cultural and social contributions. Tourism can help make a place where people want to visit, and want to live.

To start the conversation, we ask six key questions. First of all, we must define our best prospect markets. Eighty per cent of the people who travel across this province are Ontarians while 13 per cent currently come from the United States. We must make the most of our key markets close to home. People from overseas are traveling more and we want more of them to visit here.

Second, we need a revised tourism product. Our tourist offering, including government-owned assets, must meet the challenge of a growing and changing marketplace. Ontario tourism needs to meet the high standards and deliver the experiences that today's travelers expect. We need to meet the demand for new experiences and new approaches to travel — such as cultural tourism, sustainable tourism and culinary tourism, to name a few.

Third, we need to come up with new and inventive ways to market to a new audience. While we work on getting people here and telling the Ontario story, we also have to do a better job of ensuring that, when travelers visit, we provide an experience that makes them want to return.

The people who work in tourism are the front-line welcoming committee for Ontario — they are the people who ensure that our visitors have fun, stay a while, and come back often, so it is critical that our labour force is well-trained, skilled, and sometimes even multilingual.

Behind the scenes, we want to know how governments can improve how they help the tourism industry. We need to hear from you, the practitioners, about how we can do our job better. We need to know what regulations are barriers to strengthening your business. Infrastructure is a key component of government's role in tourism and, make no mistake, visitors notice the state of our roads and bridges and whether it takes too long to reach their destination.

Finally, there is the tourism industry itself. Our tourism industry is incredibly diverse but it needs to recognize the collective benefit of working with a unified voice. The industry is more powerful and can have a much bigger impact and thrive when we all work together.

This competitiveness study is a singular opportunity to take a long, hard look at tourism in Ontario. This is no ordinary consultation. By the end of this process, we want to deliver a new, bold, strong action plan.

Over the summer and early fall of 2008, I will be talking informally to tourism operators and their clients. I want to become immersed in the issues that confront you on a daily basis. By learning the aspirations of the people in the industry, together we can shape the future of tourism in Ontario.

In September, we will be on the road holding public consultations across the province. I want to hear your big ideas — and your small suggestions. Please take the time to share your views with us. Your input will inspire the strength of our plan.

I look forward to hearing from you.

Greg Sorbara, MPP
Chair, Ontario Tourism Competitiveness Study

WHY WE NEED YOUR VIEWS

The Government of Ontario has launched a comprehensive competitiveness study to set a future path for tourism in Ontario. Your input will help inform our final recommendations.

Tourism has been facing external challenges both in the short and long term, including higher fuel prices, a strong Canadian dollar, a slowing U.S. economy and changing demographics. However, new opportunities are also emerging: more people are traveling from farther away and Ontario has much to offer. To fully realize our potential, we will develop an action plan to revitalize and grow tourism in Ontario.

THE OBJECTIVES:

- To engage Ontario as a whole — not just the tourism industry — in a process to consider the future of tourism in our province
- To raise the tourism industry's profile and create a platform for new initiatives
- To deliver a focused agenda — for the public and private-sectors — to support the growth and long-term viability of tourism in Ontario as an important element of our economic development.

THE MANDATE:

To undertake a comprehensive review engaging a broadly defined group of non-traditional and traditional businesses, and academic, governmental and industry stakeholders, leading to a recommended action plan.

THE PROCESS:

- Research the state of tourism in Ontario, review best practices in North America and around the world, and identify new opportunities for growth.
- Engage in a broad consultation process so that all Ontarians have the opportunity to participate in a discussion about tourism in their specific regions.
- Produce an innovative and forward-looking action plan based on the findings.

WHAT WE NEED FROM YOU:

- New ideas
- Priorities and plans
- Synergy and strategies
- Inventive innovations
- Creative thinking
- Constructive criticism

This paper is intended as a guide for discussion only. Examples of transformational tourism initiatives are discussed throughout the paper. These are intended to provide some food for thought to create ideas for new initiatives that can be undertaken in regions across the province. Feel free to answer any or all of the questions or tell us about other issues you think are important to the future of tourism in Ontario. You can give us your feedback in person, online, or by fax or e-mail.

DEADLINE FOR SUBMISSIONS IS SEPTEMBER 30, 2008

FAST FACTS ABOUT TOURISM

ECONOMIC INDICATORS

- Total tourism spending in Ontario in 2007: $22.8 billion[1]
- Number of Ontarians directly employed in tourism in 2007: 194,100[2]
- Number of Ontarians indirectly involved in tourism in 2007: 113,600[3]
- Rank of tourism as an export industry in Ontario: 7th largest[4]
- Proportion of tourism businesses among all Ontario businesses in 2006: 18%[5]
- Rank of tourism as Ontario youth and seasonal employer: 1st[6]

VISITS AND VISITORS

- Among provinces and territories, rank of Ontario in number of visitors in Canada: 1st[7]
- Total number of visitors to Ontario in 2007 in millions: 111.4[8]
- Proportion of visitors who were from overseas in 2007: 2%
- Proportion of visitors who were from other parts of Canada: 5%
- Proportion of visitors who were from the United States: 13%
- Proportion of visitors who were from Ontario: 80%
- Increase in number of Ontarians visiting Ontario from 2006 to 2007: 5%[9]
- Decline in tourism visits from the United States to Ontario from 2006 to 2007: 14%[10]
- Decline in tourism visits from the United States to Canada from 2006 to 2007: 11%[11]
- Increase in U.S. visits to international destinations other than Canada from 2005 to 2006: 13%[12]
- Increase in visits from overseas to Ontario from 2006 to 2007: 0.1%[13]
- Number of international tourist visits worldwide in 2006: 846 million[14]
- Estimated number of international tourist visits worldwide in 2020: 1.6 billion[15]
- Increase in visits by Ontarians to the United States from 2006 to 2007: 8%[16]
- Increase in visits by Ontarians to overseas destinations from 2006 to 2007: 5.6%[17]

SPENDING

- Increase in how much Ontarians spend on tourism outside of Canada from 2005 to 2006: 4.4 %[18]
- Increase in spending on overnight visits outside Canada: 4.8%
- Average spending per visit by Ontario same-day visitors in Ontario in 2006: $75[19]
- Average spending per visit by Ontario overnight visitors in Ontario in 2006: $226[20]
- Average spending per visit by U.S. same day visitors in 2006: $73[21]
- Average spending per visit by U.S. overnight visitors in 2006: $440[22]
- Average spending per visit by overseas visitors in 2006: $1,204[23]

The Market: What are our best prospects?

The Market: What are our best prospects?

WHAT WE KNOW NOW:

Challenges of recent years, combined with limited investment in new product and intense competition, have slowed the growth of Ontario tourism. Real change is needed now if Ontario is to regain its advantage and seize the huge opportunities available in the domestic and international tourism marketplace.

Ontarians exploring their own province make up the vast majority of our current market. Some 80 per cent of visitors are local and 13 per cent of visitors are from the United States. These numbers have remained relatively stable over time, but now things are changing.

Between 2006 and 2007, there was a 14 per cent decline in visitors from the United States. Same-day visits declined by 21 per cent and overnight visits dropped by four per cent. Clearly, the strong Canadian dollar, the slowing U.S. economy and changing demographics in traditional markets have had an impact.

However, over the same period, in the relatively small group of overseas visitors, Ontario has seen an increase in visitors from Mexico (up 18 per cent), South Korea (up 10 per cent) and mainland China (up 19 per cent). Growth in these new markets represents a tremendous opportunity for Ontario.

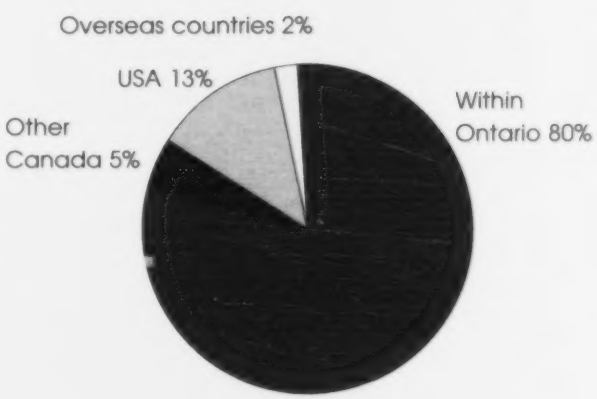
In our all-important domestic market, there are also some positive signs. From April to June 2007, five per cent more Ontarians took trips within Ontario than in the same period in 2006. They spent more too — putting almost four per cent more into our provincial tourism economy.

According to the United Nations World Tourism Organization (UNWTO), tourism has expanded dramatically over the last 30 years, and international tourist arrivals (around the world) are expected to double by 2020. The UNWTO notes that more jurisdictions are recognizing the economic potential of tourism, creating an increasingly competitive business environment. The winners will be those that seize the opportunity to develop focused, consumer-driven strategies.

To ensure a healthy tourism industry, we need a clear picture of our highest potential markets. We need to know where potential travelers are, who they are and what they want to do when they travel.

The Ontario Tourism Marketing Partnership Corporation has done extensive work to define the segments of the Canadian and U.S. markets with the most potential for Ontario. With worldwide tourism growing at a tremendous pace and with continuing opportunities here in Ontario and in the United States, we need your help to continue defining those best prospect markets, wherever they may be.

WHERE OUR VISITORS CAME FROM IN 2007*



* *Source: Ontario Ministry of Tourism*

Key Considerations:

- **Where do most of your clients come from? What are they interested in doing?**
- **Where does Ontario's future traveler come from?**
- **What markets hold the best potential for Ontario's tourism industry?**
- **What are the products and experiences that tourists in those markets are looking for?**

"In music and in travel, you have to be a participant, not just a consumer. It enlarges your view of the human family."

Yo-Yo Ma, Cellist

Western Australia

According to a survey conducted by the Western Australia Tourism Commission, an emerging market referred to as the "children of the information age" is developing. This segment is characterized by increasingly sophisticated travelers who are experienced, well-educated, discriminating consumers. They are becoming less destination-oriented and more experience-oriented.

"Travel and tourism has been one of the most dynamic sectors of the global economy in recent years and the fastest growing tourism regions are, for the most part, in emerging or non-traditional markets."

Scotia Economics, Industry Report, April 2008

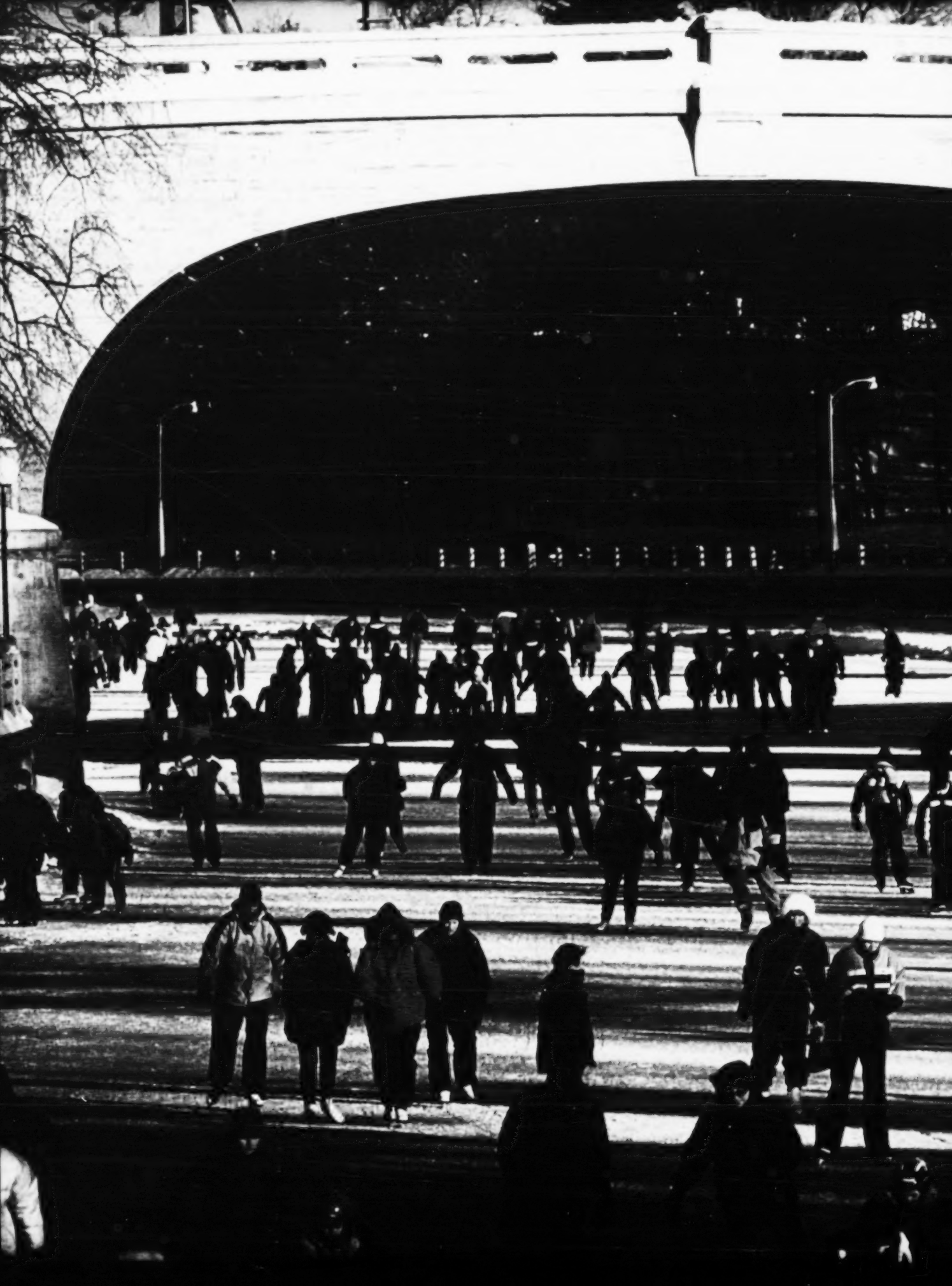
Prince Edward County Ontario

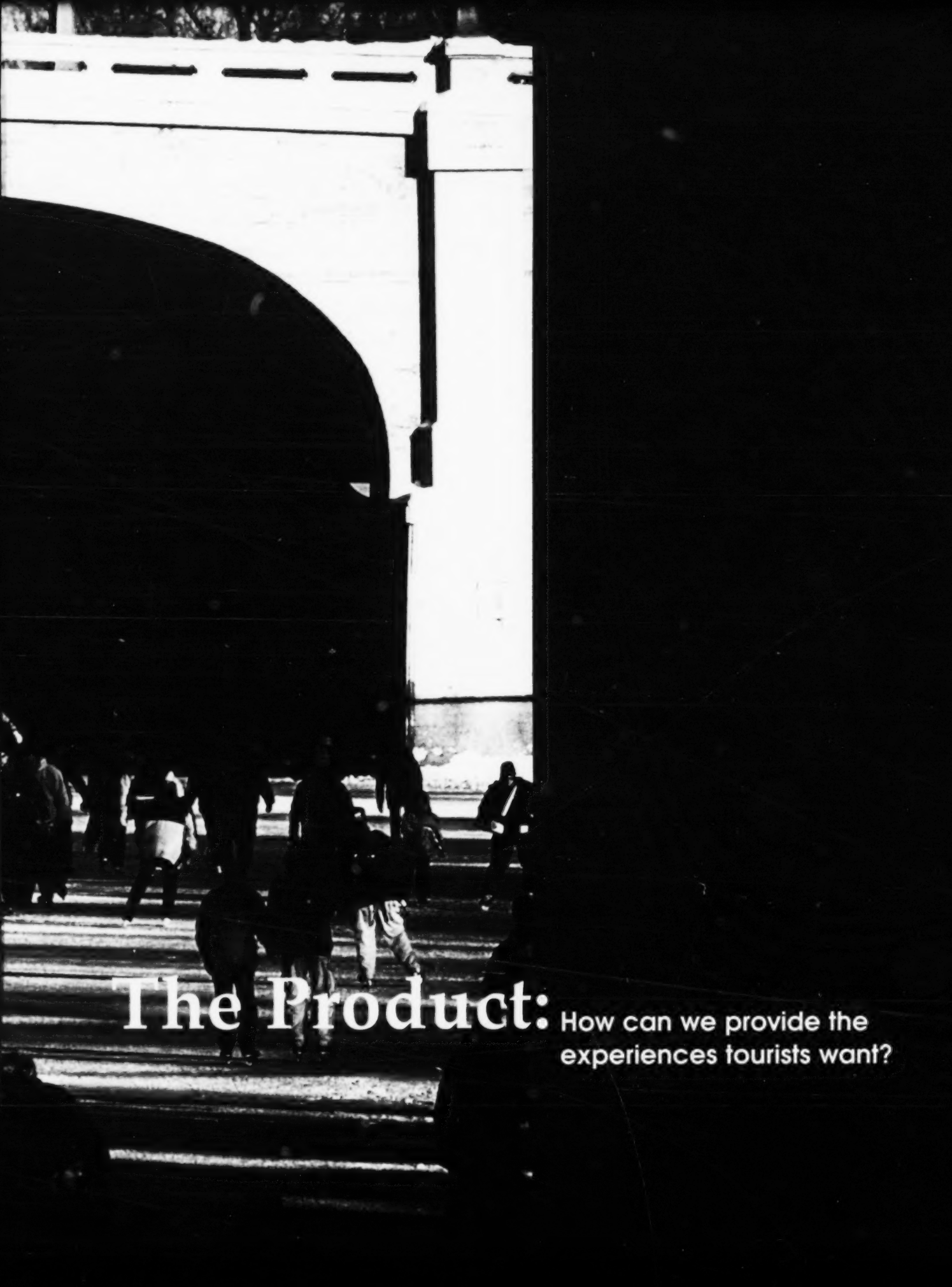
Tourism operators recognized that working together toward a common goal of increasing tourism would mean success in Prince Edward County. They formed "Taste the County," a not-for-profit organization, and developed the Taste Trail — a tour route of wine and culinary destinations in the county that includes special events. The Taste Trail and other marketing initiatives have opened up the county to new markets and helped establish Prince Edward County as a premier wine and culinary tourism destination.

Fast Facts

In 2007:

- **Ontarians made over 22.4 million trips to the United States[24]**
- **Ontarians made over 3.5 million trips to overseas countries[25]**
- **1.8 million visitors entered Ontario from overseas[26]**
- **14.9 million Americans entered Ontario[27]**
- **Ontarians made over 88.9 million trips within the province[28]**





The Product: How can we provide the experiences tourists want?

The Product: How can we provide the experiences tourists want?

WHAT WE KNOW NOW:

It is time to examine what tourists come here to see and do. We have to ensure that what we present is truly compelling, not just the same as what we offered 10 years ago. Some research indicates that visitors to Ontario are looking for new attractions — they have already seen what we have to offer. We need to understand what tourists are looking for and we need to ensure that we are developing that product. That means making the most of what we have and understanding the possibilities of a full range of tourism activities — such as adventure tourism and eco-tourism.

According to the Encyclopedia of Tourism (Jafar Jafari, 2000), tourism product includes physical, natural, and cultural resources as well as built facilities such as restaurants and hotels. It also includes transportation, infrastructure, equipment, service, retail and hospitality..

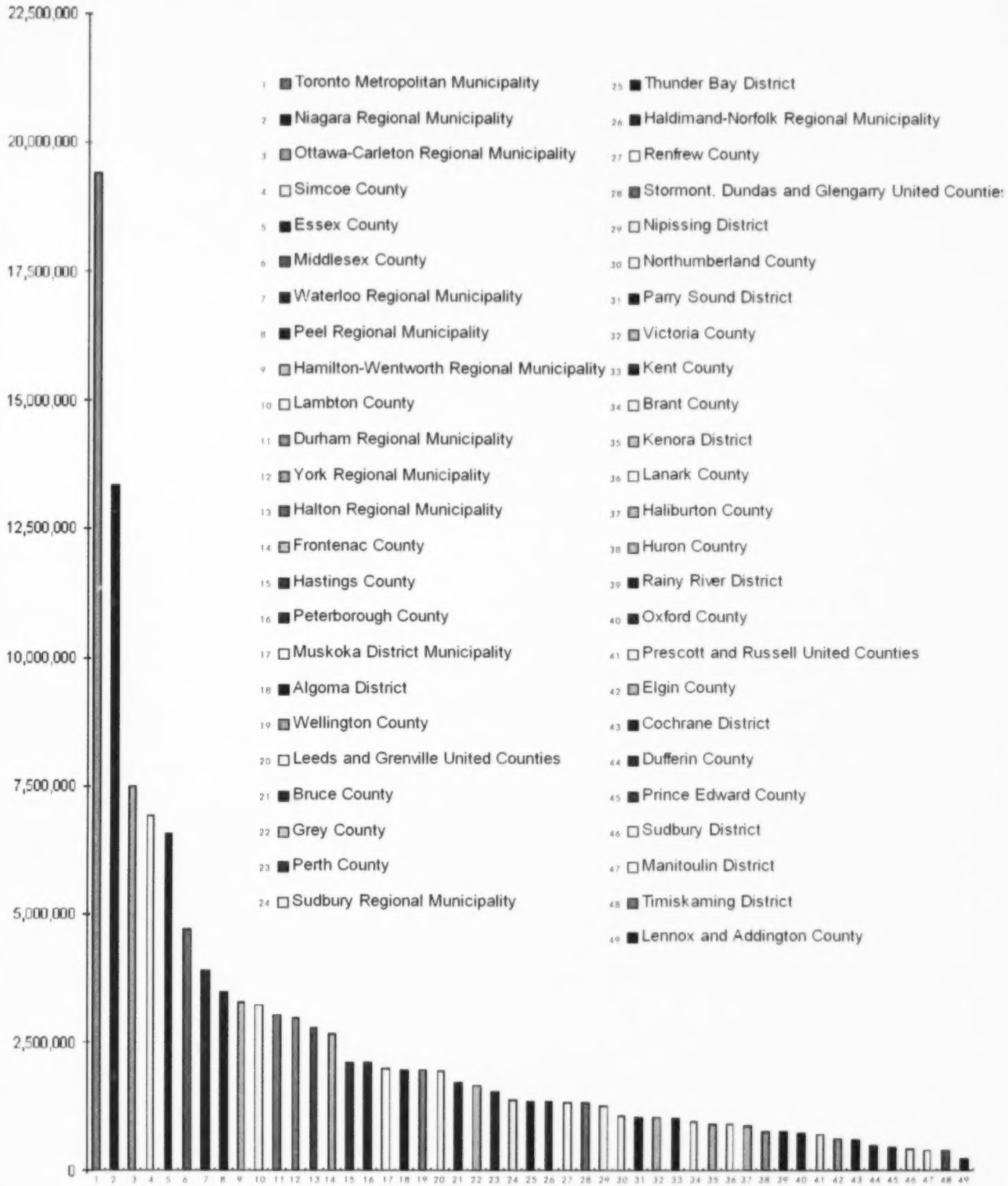
Ontario has a wealth of excellent facilities and services for travelers. From the wilderness experiences of Northern Ontario to the urban life of our big cities; from the wine regions of Prince Edward County, Niagara and Southwestern Ontario to the history of our nation's capital; from fine inns and spas to great family resorts; from museums and galleries to bustling casinos; from fashion shopping in Toronto to Shakespeare in Stratford; from attractions such as Fort William Historical Park in Thunder Bay to Ottawa's Rideau Canal, a UNESCO Heritage Site in Eastern Ontario; no listing could do justice to what this province has to offer.

Recent years have seen considerable new investment by the Ontario government in cultural destinations in Toronto; new convention centres in Niagara Falls, Ottawa and Windsor; new capital investment in St. Lawrence Parks and the initiation of the Celebrate Ontario grants to help create new festival experiences.

One of the key ways to improve and increase our tourism product in Ontario will be through private-sector investment from both domestic and offshore sources. Some entrepreneurs have already been busy. Five-star hotels are under construction in Toronto. The Red Leaves project is creating a new kind of tourist experience in Muskoka. And the e-Terra Inn on the Bruce Peninsula offers an exclusive experience in a stunning setting. But more private-sector investment is needed to create even more new product.

We need to ask, however, if we have developed the full potential of Ontario's tourism assets. For example, are we tapping our enormous potential as a destination for aboriginal experiences? Can we meet the growing demand for the "authentic" tourism experience — seeing and enjoying the real destination, not just the traditional tourist spots? The possibilities for Ontario's tourism industry are very positive. Both our economy and the vitality of our province will benefit if we can realize the full tourism potential of all our cultural assets.

WHERE VISITORS GO



Source: Statistics Canada, Canadian Travel Survey and International Travel Survey, 2004

Chicago Illinois

First planned in 1997 as a way to create new parkland and transform railway tracks and parking lots, Chicago's Millennium Park has become a significant tourist attraction. Located in downtown Chicago, the 25-acre park is a centre for art, music, architecture and landscape design. The outdoor concert venue, the Jay Pritzker Pavilion, was designed by Frank Gehry.

Scenic Caves Ontario

Located more than 300 metres above Georgian Bay — the new suspension footbridge at Scenic Caves is one of Ontario's feature attractions. The breathtaking 126-metre hike across a narrow bridge arcs 25 metres above a treed valley. The development of a natural wonder into a unique tourism experience is an example of private-sector initiative.

Key Considerations:

- What can the best attractions in Ontario tell us about growing and improving our existing product?
- Are there any gaps in Ontario's tourism product offering?
- What new tourism ideas would work best for Ontario, given our target and potential markets?
- How have other competing jurisdictions improved their tourism product and ensured a good experience for visitors?
- How can Ontario attract more private-sector investment in tourism?
- What are any barriers/incentives to invest in Ontario's tourism product?
- What is the role for government-owned attractions in Ontario's tourism product mix?
- How can Ontario make the most of its cultural tourism offering?

Great Wolf Lodge Niagara Falls

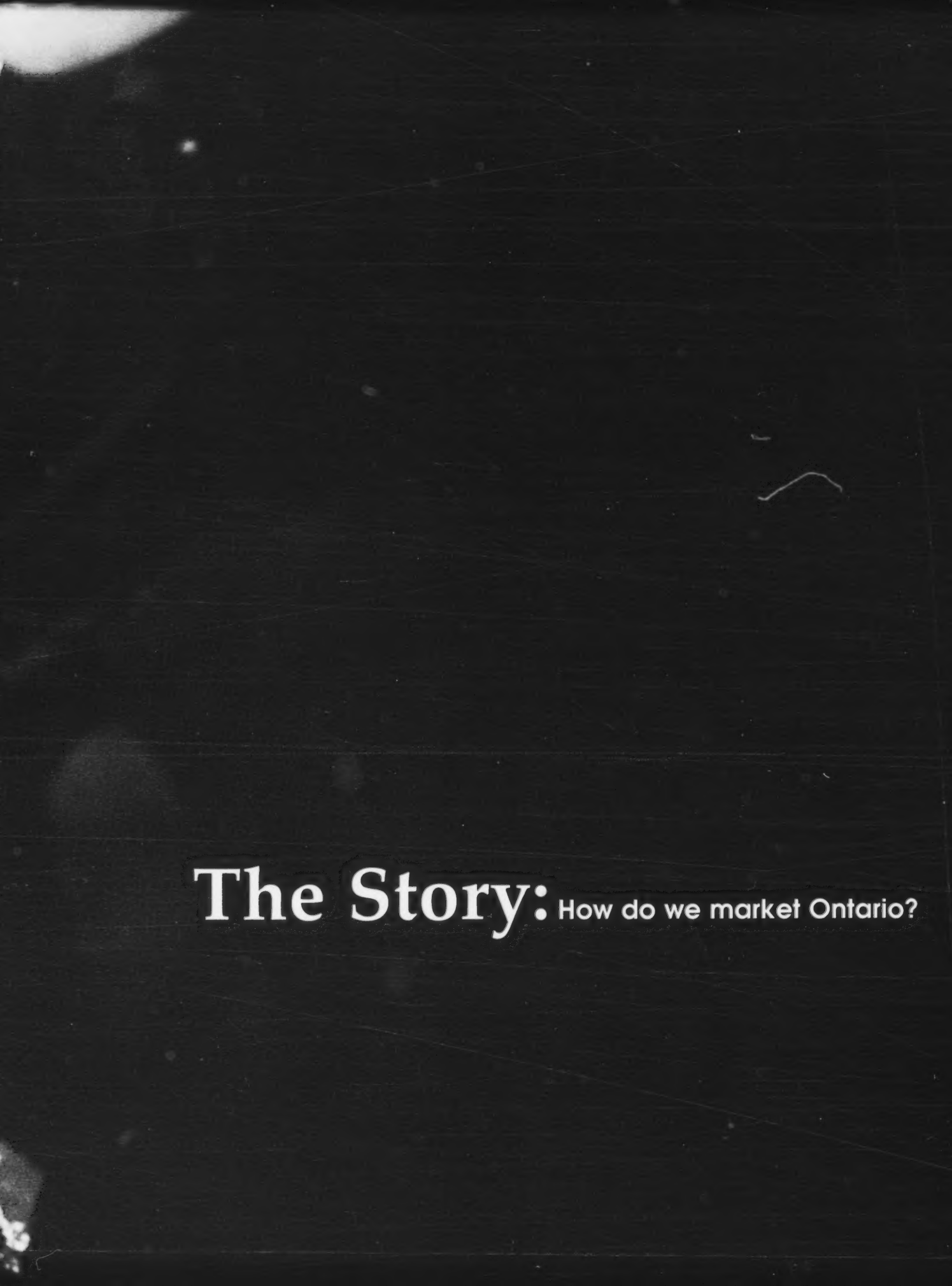
One example of how private-sector investment in tourism product generates economic activity can be seen in the waterslides for the Great Wolf Lodge in Niagara Falls and all other Great West Lodges in North America, which were supplied by Ottawa-based ProSlide Technology Inc. Niagara Falls is the only Canadian destination in this highly successful chain of indoor, northern-themed water parks, and it will eventually include the world-class Ripley's Aquarium of Canada. It is home to one of North America's largest indoor water parks, a family restaurant and bar, Elements — An Aveda® Concept Spa, meeting and banquet space, an arcade, and a fitness centre. This new tourist destination draws visitors from the United States, who are return guests from other Great Wolf Lodge destinations, as well as new guests from Ontario.

*"**Tourists** are more and more discerning — more demanding — and more capable of voting with their feet because they have more options and more information about them. This all puts a big premium on developing our tourism product, on refurbishing, on creating new facilities and providing new experiences and, generally, on making sure that people — locals and visitors alike — have good things to say about Ireland...The Government fully recognizes the importance of the tourism industry and the need for continuous improvement of our tourism product...In the tourism and hospitality sector, as in any business, complacency is the stepping stone to failure."*

Mr. Bertie Ahern, Prime Minister of Ireland, October 2007

Fast Facts:

- There are almost 4,000 lakes in Ontario larger than three square kilometres.
- About 5.8 million tourists visited Ontario museums and art galleries in 2004.[29]
- About 38.2 million visitors went shopping and 10.7 million went to bars and nightclubs in 2004.


The Story: How do we market Ontario?

The Story: How do we market Ontario?

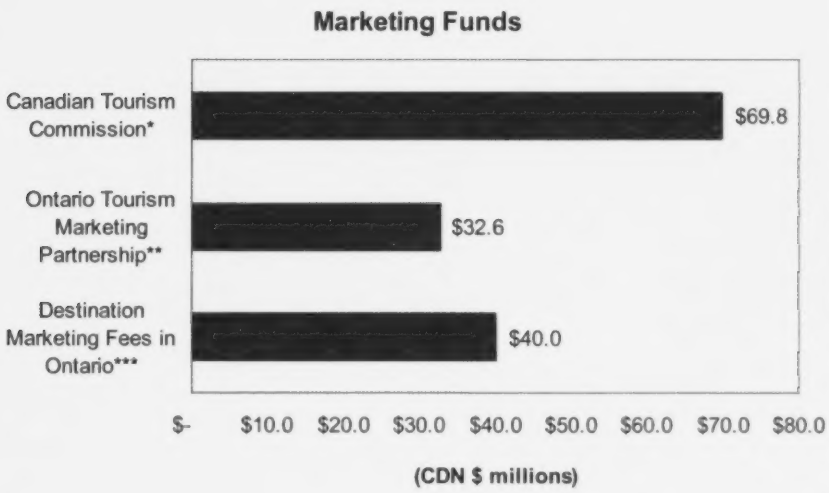
WHAT WE KNOW NOW:

The marketing of Ontario is funded by several divergent sources and has no single strategy. At the same time, how people get tourism information has radically changed in recent years. To attract new tourists, we must market ourselves more strategically.

Currently, marketing tourism in Ontario is performed by various agencies and organizations including:

- Canadian Tourism Commission
- Ontario Tourism Marketing Partnership Corporation
- Destination Marketing Organizations
- Provincial industry associations
- Private-sector marketing efforts

The dollars supporting these marketing efforts come from just as many sources. Federal, provincial and municipal governments in Ontario provide funding for tourism marketing. In recent years, destination marketing fees charged by some hotels have become an important funding source for local marketing organizations in Ontario. Currently 14 communities in the province collect these fees, but many more do not and as a result, either rely on other sources or have less support for local marketing purposes. Of course, private businesses also invest dollars in marketing, often in partnership with government and non-profit marketers.



Marketing dollars go to federal, provincial and local attractions and agencies; the development of new marketing materials (print, mass media, web); and Ontario's 18 Travel Information Centres located across the province. But increasingly, marketers are turning to the internet because that's where consumers are also turning. Ontario's own research shows that more consumers are not only researching their holidays online, but are also booking them online.

* *Canadian Tourism Commission 2007 Annual Report*

** *2007/08 OTMPC core budget*

*** *Ministry of Tourism Estimate*

Key Considerations:

- What new communications techniques and channels should we use?
- How can we maximize the potential of the internet for Ontario tourism, including increasing the ability to book online?
- Should the current funding structure be changed to support tourism marketing in Ontario?
- Are destination marketing funds (DMF) that focus on local levels working effectively?
- How are other jurisdictions marketing tourism and what can Ontario learn from their efforts?
- Do Travel Information Centres help your business or organization and how can they be used most effectively?

"If you wish in this world to advance, your merits you're bound to enhance; you must stir it and stump it and blow your own trumpet, or trust me, you haven't a chance."

W.S. Gilbert, British dramatist (1836-1911)

Pennsylvania
United States

The state of Pennsylvania established an innovative approach to online marketing. Its website featured road-trip blogs written by travelers in the state's "Real People, Real Road Trip" campaign. The goal of the campaign was to maximize the visibility and immediacy of Pennsylvania road-trip itineraries through storytelling. This was the first state tourism office to use blogging as the focus of a marketing campaign.

Ontario
Canada

Ontario's "There's No Place Like This" campaign encourages Ontarians to explore and rediscover all that Ontario has to offer. The domestic tourism campaign has become one of the most popular government promotions ever, with television commercials featuring Ontario artists. The multimedia tourism campaign includes television ads, cinema ads, a print campaign, billboards and web marketing. Print ads also appear in several languages.

Fast Facts:

- 38% of Ontarians who took overnight trips booked their holidays online.[30]
- 47% of Americans who took an overnight trip booked their holiday online.[31]
- There were more than 3.2 million users sessions on Ontario's travel website, www.ontariotravel.net, in 2007.[32]

The People: How can we ensure a well-trained workforce?

The People: How can we ensure a well-trained workforce?

WHAT WE KNOW NOW:

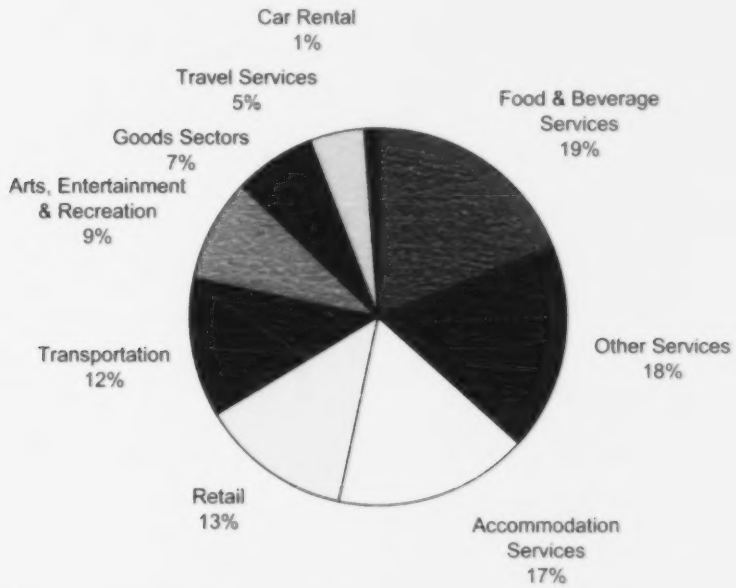
Tourism in Ontario directly employs about 194,000 people and is the largest employer of Ontario's young people and the largest seasonal employer. But two key challenges lie ahead: first, there is a pending labour shortage in the sector and second, our service quality must be top notch so we must be able to train great tourism workers.

By 2030, Ontario will face a labour shortage of more than 560,000 people, which threatens many sectors of the economy, according to a recent Conference Board of Canada report.[33] As tourism represents almost 20 per cent of Ontario businesses, this labour shortage is a significant challenge for both the hotel industry and tourism as a whole. There are also challenges in retaining good staff.

Even sooner — in fact, within seven years — one estimate says there will be more than 120,000 tourism job vacancies in Ontario. Youth and new Canadians are not entering the sector in sufficient numbers to meet service demand.[34] At the same time, global travelers are becoming more discriminating so service standards in Ontario must compete with the best in the world.

In Ontario, 16 of the province's colleges as well as five universities provide tourism training programs. The Ontario Tourism Education Corporation (OTEC) is a non-profit training and human resource organization that provides education and training for the tourism labour force as well as other industry sectors (www.otec.org). However, there is no overarching provincial strategy to meet the tourism sector's needs.

DISTRIBUTION OF TOURISM'S TOTAL EMPLOYMENT IMPACTS — BY SECTOR 2007



Source: Ontario Ministry of Tourism

Key Considerations:

- How can we maintain an adequate supply of workers to meet labour needs?
- What kind of training is needed to ensure Ontario's tourism industry is providing the best possible customer service to visitors?
- How can the industry ensure that tourism employees are receiving the training they need?
- How can Ontario learn from what other jurisdictions have done to address issues of labour supply and training?
- How do you ensure quality service?
- How can we create welcoming, friendly and courteous communities?

Niagara Region Canada

Niagara College has developed several programs that directly support the region's wine industry. At the Niagara College Teaching Winery, winery and viticulture students learn about the day-to-day responsibilities and inner workings of a winery, from planting grapes to selling wine. This fall, the college is offering Canada's first and only Post-Graduate Certificate in Wine Business Management. And in 2005, George Brown College and Niagara College, in affiliation with the Canadian Association of Professional Sommeliers, launched a Certified Sommelier Certificate.

Australia

Faced with a labour shortage, the Government of Australia amended legislation to allow students holding visas the ability to work. The government is also actively promoting its working holiday visa in Korea. Australia is also similarly considering eliminating the current age limit for the working holiday visa from those aged 18 to 30 to anyone over age 18. Australia uses MySpace to attract applicants for the working holiday visa. Members of MySpace can create an Australia section of their page and upload photos and comments from their experience.

"Potential labour shortages ... *are severe. They signify an immediate call to action for the tourism sector to make sure these shortages never materialize. The tourism sector cannot afford to adopt a "wait and see" approach. It must act now."*

Canadian Tourism Human Resource Council

Fast Facts:

- Within seven years, it is estimated there will be 121,570 tourism job vacancies in Ontario.[35]
- Ontario is home to five universities and 16 colleges with programs in hospitality and tourism — along with 72 high schools currently offering the Tourism/Hospitality Specialist High Skills Major program.[36]

The Tools:

What are the appropriate roles for governments?

The Tools: What are the appropriate roles for governments?

WHAT WE KNOW NOW:

All three levels of government in Canada influence tourism and, given the challenges facing the industry and its relevance to the economy, municipal, provincial and federal governments must all improve how they help the industry succeed.

In their efforts to create a positive environment, governments provide support for specific activities such as marketing, but they also play a key role in creating the overall business climate to make our jurisdiction attractive for business activity, investment and expansion. Collectively, all three levels of government are also responsible for regulations and taxes as well. The complexity and burden of these systems can affect what and how business decisions are made by the tourism sector.

Within the Ontario government, the Ministry of Tourism has the lead responsibility for the industry. However, the activities of many other departments also have a significant impact on tourism in the province. For example, the Ministry of Natural Resources is responsible for Ontario's provincial parks and the Crown land that is home to resource-based, remote tourism locations. The Ministry of Agriculture, Food and Rural Affairs supports local economic development projects, which are often focused on boosting tourism. The Ministry of Northern Development and Mines has staff and programs that support tourism in Northern Ontario. And the Ministry of Culture supports world-renowned attractions such as the Royal Ontario Museum and Science North as well as the performing arts, heritage sites, and museums and galleries that attract millions of visitors every year.

Some local municipal governments are keen supporters of tourism and engage in significant tourism-enhancing projects and planning. They use tourism to drive local priorities and enhance overall economic development.

The federal government regulates all air traffic and airlines. It is also responsible for the safe and efficient movement of people across our borders, which is vital for tourism.

Infrastructure is one aspect of government involvement in tourism: it enables tourism and includes air transportation, airports, roads, bus, rail, public transit, ships and ports. Tourism is also about moving from one place to another. Good, accessible transportation infrastructure is vital. Something as simple as good signage can vastly improve a tourist's experience.

Surveys of U.S. visitors underline the importance of ongoing improvements to infrastructure. All three levels of government make significant investments in the province's infrastructure — much of it vital to tourism.

> *"Tourism is a top priority activity for the federal government, which is why it invests an average of over ($2.5 billion) a year in infrastructure works and integral projects that promote Mexico's culture and natural attractions."*
>
> *Vincente Fox, former president of Mexico*

Key Considerations:

- **What changes should governments make to support a healthy tourism industry?**
- **What specific reduction or streamlining of regulations or changes to tax measures (at any level of government) would be most helpful to the Ontario tourism industry?**
- **What government programs help, or hinder, the tourism industry?**
- **What are the key priorities for tourism infrastructure in Ontario?**
- **How have other jurisdictions improved government support for tourism?**
- **What is the best way to measure the economic impact of tourism in a community?**

Ireland

The Irish Tourism study recommended the establishment of the Tourism Strategy Implementation Group to coordinate the work of various government departments and agencies. Potential work would include working with the Department of Foreign Affairs on tourism-favourable laws and encouraging the Department of Health and Children to change the Marriage Law to increase the number of eligible marriage-ceremony venues.

Agawa Canyon Ontario

In peak years, the Agawa Canyon Tour Train drew more than 80,000 visitors annually to the spectacular and remote Agawa Canyon — the subject of many Group of Seven paintings. The train generated some $37 million in the local economy. To boost this attraction, the Northern Ontario Heritage Fund Corporation provided $5 million to the Sault Ste. Marie Economic Development Corporation to match a $5 million contribution from CN for the purchase and retrofitting of new rail cars to reintroduce the Agawa Canyon Tour Train experience to a new generation of users.

Fast Facts:

- **The Ontario government owns and operates 22 tourism, cultural and heritage agencies and attractions in the province.**
- **Over one million people visit the Ontario Science Centre every year.**
- **There are over 7,300 tourism-oriented directional signs on Ontario's provincial highways.**

AVENTURE

The Industry:

How can the industry work together to achieve success?

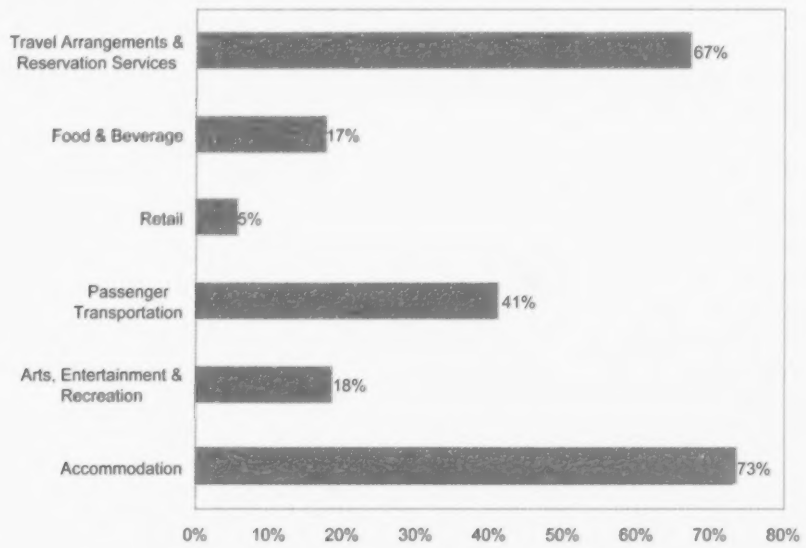
The Industry: How can the industry work together to achieve succes

WHAT WE KNOW NOW:

To survive and thrive in the current environment, all industry players — from the largest attraction to the smallest outlet — need to work together in a more concerted, industry-wide way.

The tourism industry is incredibly diverse. From major global hotel chains and large convention centres, to local, seasonal craft shops, this industry covers the waterfront. Tourism is not a single industry, but an economic activity that crosses over into many other industries including accommodations, food and beverage, recreation and entertainment, transportation, retail, car rentals, tour operators and travel agents. It is an incredible driver of the Ontario economy, with total tourism spending of $22.8 billion in Ontario in 2007.

PERCENTAGE OF EMPLOYMENT ACCOUNTED FOR BY TOURISM, 2007*



Source: Ontario Ministry of Tourism

The tourism industry is also represented by a wide variety of groups. At the provincial level, there are organizations such as the Tourism Industry Association of Ontario and the Ontario Tourism Council. Sector-specific groups include organizations such as Attractions Ontario and the Ontario Restaurant Hotel and Motel Association. Destination marketing organizations cover a wide span from Grey County Tourism to Tourism Toronto. Due to this diversity, the industry has had difficulty finding a unified voice, and province-wide tourism associations have traditionally had trouble simply remaining viable. There is a strong need to build creative new partnerships within the industry to help enhance short- and long-term competitiveness.

Key Considerations:

- **How can industry overcome challenges and seize opportunities?**
- **How can we improve the industry's ability to represent itself adequately and provide support to individual operators?**
- **How can such a diverse sector act as a unified industry?**
- **How can various players work together to find new opportunities?**
- **What is the role of industry in attracting new private-sector investment?**
- **How can industry respond faster to changes in the tourism marketplace?**

"There are no shortages of challenges facing the industry. But there are many examples of situations where innovation has really made a difference. The big question is how to create a culture of innovation, and how to make it stick."

Philip Wolf, CEO, Phocuswright Inc.

British Columbia Canada

The Council of Tourism Associations (COTA) of British Columbia is an advocacy organization representing more than 18,000 tourism operators across the province. These operators have a vision of a vital BC tourism industry that is sustainable, organized, cohesive, has a powerful voice, and plays an essential role in the BC economy. COTA's mission is to advocate to and educate the government, business community, media, industry and public on behalf of the tourism industry. It is particularly concerned with matters affecting transportation infrastructure and policies, a skilled workforce, land use, taxation and regulation, and funding for tourism marketing.

"Our stakeholders are everyone else — governments, customers, partners. We need to engage outside our industry as well as within it."

Brett Tollman, President, The Travel Corporation

Fast Facts:

- **More than 90 per cent of tourism-related businesses have fewer than 20 employees.[37]**
- **The Ontario Ministry of Tourism sends its newsletter to about 9,000 tourism operators, associations and governments.**

QUESTIONS SUMMARY

- THE MARKET: WHAT ARE OUR BEST PROSPECTS?
- THE PRODUCT: HOW CAN WE PROVIDE THE EXPERIENCES TOURISTS WANT?
- THE STORY: HOW DO WE MARKET ONTARIO?
- THE PEOPLE: HOW CAN WE ENSURE A WELL-TRAINED WORKFORCE?
- THE TOOLS: WHAT ARE THE APPROPRIATE ROLES FOR GOVERNMENTS?
- THE INDUSTRY: HOW CAN THE INDUSTRY WORK TOGETHER TO ACHIEVE SUCCESS?

IS THERE ANYTHING ELSE YOU WOULD LIKE TO TELL US?

PARTICIPATE NOW

Greg Sorbara and the Ontario Tourism Competitiveness Study Team want to hear from you.
This discussion paper is meant as a guide. Feel free to answer as many of the questions that pertain to you or raise any other key issues.

THERE ARE MANY WAYS TO HAVE YOUR VIEWS HEARD

Public Consultations

- Greg Sorbara will be traveling to several communities throughout the province to engage people in a discussion on the future of tourism.
- Please let us know who you think we should be talking to about the future of tourism.
- The schedule of public meetings and instructions on how to participate will be posted on our website by July 30, 2008.

Online

- Visit www.tourismstudy.ca to read/download this discussion paper, make a submission, or fill in your responses to our questions online.
- You can also send your comments via e-mail to: Tourism.competitiveness.study@ontario.ca

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DEADLINE FOR SUBMISSIONS IS SEPTEMBER 30, 2008

ENDNOTES

[1] Ontario Ministry of Tourism estimates based on Statistics Canada numbers
[2] Ibid
[3] Ibid
[4] Industry Canada, Trade and Investment
[5] Statistics Canada, Business Register Division
[6] Statistics Canada, Labour Force Survey
[7] Statistics Canada, Canadian Travel Survey (CTS) and International Travel Survey (ITS)
[8] Ontario Ministry of Tourism, *Ontario Tourism Outlook 2008-2012, Spring 2008*
[9] Statistics Canada, Growth rate in the first two quarters of 2007 over the same quarters of 2006
[10] Statistics Canada, Border crossings
[11] Ibid
[12] U.S. Department of Commerce, ITA, Office of Travel and Tourism Industries
[13] Statistics Canada, Border crossings
[14] United Nations World Tourism Organization (UNWTO), *Tourism Highlights 2007 Edition*
[15] Ibid
[16] Statistics Canada, Border crossings
[17] Ibid
[18] Statistics Canada, International Travel Survey (ITS)
[19] Statistics Canada, Travel Survey of the Residents of Canada (TRSC)
[20] Ibid
[21] Statistics Canada, ITS
[22] Ibid
[23] Ibid
[24] Statistics Canada, Border crossings
[25] Ibid
[26] Ibid
[27] Ibid
[28] Ontario Ministry of Tourism, *Ontario Tourism Outlook 2008-2012, Spring 2008*
[29] Statistics Canada, CTS and ITS, 2004
[30] Statistics Canada, Travel Activities and Motivations Survey (TAMS), 2006
[31] Ibid
[32] Ontario Ministry of Tourism
[33] Darby, Paul M., *Ontario's Long-Term Labour Market Outlook: 2007-2030*, Conference Board of Canada
[34] Canadian Tourism Human Resource Council (CTHRC) and Ontario Tourism Education Corporation (OTEC), *2006 Total Tourism Employment in Canada*
[35] OTEC
[36] Ibid
[37] Statistics Canada, Canadian Business Patterns

To request additional print copies of this document (in either English or French), please call 416 325 1084 or toll free 1-866-320-9845. Copies are also available at Government Information Centres and all consultation venues throughout the province.

The Ontario Ministry of Tourism is subject to the Freedom of Information and Protection of Privacy Act (FIPPA). Any material provided to the Ministry may be disclosed in accordance with the Act.

Photos courtesy of the Ontario Tourism Marketing Partnership Corporation, Great Wolf Lodge and the Royal Ontario Museum (photo credit: Brian Boyle).